## **REMARKS**

Docket No.: 418268002US

Claims 1-3, 8, 9, 12, 14-19, 29, and 32-40<sup>1</sup> were pending at the time of the Advisory Action. Applicant has amended claim 1 and neither cancelled any claims nor presented any new claims. Thus, claims 1-3, 8, 9, 12, 14-19, 29, and 32-40 are still pending.

In the last Office Action, the Examiner has rejected claims 1-4, 8-25, and 29-40 under 35 U.S.C. § 103(a) as being unpatentable over Briscoe and claims 5-7, 26-28, and 41-43 under 35 U.S.C. § 103(a) as being unpatentable over Briscoe and Asokan.<sup>2</sup> Applicant respectfully disagrees. Nevertheless, applicant has amended independent claim 1

In the Advisory Action dated May 28, 2008, the Examiner responds to applicant's assertion that the claimed invention helps prevent a consumer from cheating. In particular, the Examiner states

This situation does not make sense as the consumer has the start code, therefore the consumer can generate any code from the start code and the code will always be correct. An analogy is the consumer is the producer of an answer key. The consumer gives the intermediary the same answer key. If the intermediary tests the consumer for an answer, of course the consumer will be able to give the correct answer as the very answer key that the intermediary is using to judge the coned answer was first given to the intermediary by the consumer.

(Advisory Action, May 28, 2008, "Continuation of 11.")

Applicant will try to explain how a consumer could attempt to cheat. Let's say a consumer requests 10 transactions of the service provider. Thus, the service provider will have been provided the end code by the service intermediary and 10 previous codes by the consumer. Now when the series of transactions is complete, both the service consumer and the service provider provide to the service intermediary what they are

The pending claims reflect the amendment filed on April 7, 2008.

Applicant notes that claims 5-7 and 41-43 were previously canceled by applicant.

Docket No.: 418268002US

asserting is the last code. If the provider last code and the consumer last code are the same, then they both agree on the amount of service that was provided. If, however, the last codes are not the same, then there is some disagreement.

The question is "how can there be a disagreement." One scenario is the consumer is trying to cheat (or it could be an "honest" mistake) the service provider by providing to the service intermediary the 5<sup>th</sup> to the end code asserting that it is the last code, rather than the 10<sup>th</sup> to the end code. Of course, the service consumer could generate and provide the correct code as the Examiner suggests, but the point of cheating is that the service consumer does not to provide the correct last code in hopes of being charged for only 5 transactions rather than 10 transactions. Applicant's technology prevents this type of cheating.

## The Examiner also states that

Once again, even if the consumer gives the wrong code to the provider, when the intermediary asks for a code, the consumer can once again give a correct code. In every case the consumer can always give the correct code, as both the intermediary and the consumer have the start code. That is why the Examiner stated that "only the end code of the provider is used to determine whether the service is provided (pg. 4 of Final Office Action)."

(Advisory Action, May 28, 2008, "Continuation of 11.")

If the service consumer gives the wrong code to the service provider when a transaction is requested, the service provider will not provide the requested service. Recall, that each request from a service consumer should provide the next code in the sequence (in reverse order from the end code to the start code) and that the service intermediary provided the end code to the service provider. When the service provider receives the request, it verifies that the code can be used to generate the end code by applying the one-way hash function. If the code cannot be verified, the code is wrong and the cheating is detected and service provider does not provide the requested service.

Now when the series of transactions is complete, both the service consumer and the service provider provide to the service intermediary what they are asserting is the last code. The service provider provides to the intermediary whatever last code it received from the service consumer that it actually verified was a correct code. It doesn't matter whether the service consumer provides a correct or a wrong last code to the service intermediary. As long as the service provider provides a last code that the service intermediary can use to generate the end code, the service intermediary assumes this is evidence that the services were provided.

Applicant would also like to point out that the Examiner's statement that "as both the intermediary and the consumer have the start code" is incorrect. The service intermediary does not have the start code, but only the end code, in the embodiment of the invention that is being claimed.

The Examiner appears to be mixing up the various embodiments that are described in the specification. In some embodiments, only the start code, only the end code, or both the codes are provided to the service intermediary. Applicant's specification makes this clear in the following:

One skilled in the art will appreciate that <u>many variations</u> of this dispute resolution system are possible. ... If the service consumer generates the sequence of codes, it can provide the <u>start code</u>, <u>end code</u>, <u>or both</u> to the service intermediary during registration. (Specification, ¶ 0027, emphasis added.)

and

The service intermediary then sends 4 a notification of the registration to the service provider. The notification may include the end code and the identity of the service consumer and the contract. (Specification, ¶ 0035, emphasis added.)

Thus, it is clear that at least one embodiment provides the end code and not the start code.

Applicant has also amended independent claim 1 to make clear what the evidence establishes.

Based upon the above remarks, applicant respectfully requests reconsideration of this application and its early allowance. If the Examiner has any questions, or believes a telephone conference would expedite prosecution of this application, the Examiner is encouraged to call the undersigned at (206) 359-8548.

Applicant believes no fee is due with this response. However, if any additional fee is due, please charge our Deposit Account No. 50-0665, under Order No. 418268002US from which the undersigned is authorized to draw.

Dated:	December 5, 2008	Respectfully submitted

Maurice J. Pirio

Registration No.: 33,273

PERKINS COIE LLP

P.O. Box 1247

Seattle, Washington 98111-1247

(206) 359-8000

(206) 359-7198 (Fax)

Attorney for Applicant